

# REGULATION

<b>SPDOC No:</b>  07-14	<b>Effective Date:</b>  October 7, 2007	<b>Index Reference:</b>  Travel Reimbursement, Maintenance Allowance	<b>Regulation Number:</b>  <b>5.14</b>
<b>Issued By:</b>  Compensation	<b>Rule Reference:</b>  Rules: 5-7 (Expense Reimbursement) 5-12 (Maintenance Allowance)		<b>Replaces:</b>  Reg. 5.14 (CS-6940, March 18, 2001)
<b>Authority:</b> Regulations are issued by the State Personnel Director under authority granted in the Michigan Constitution and the Michigan Civil Service Commission Rules. Regulations are subordinate to the Commission Rules.			
<b>Subject:</b>  <b>MAINTENANCE ALLOWANCES AND REIMBURSEMENTS</b>			

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## **1. PURPOSE**

This regulation establishes standards for maintenance allowances and reimbursements for classified employees.

## **2. CIVIL SERVICE COMMISSION RULE REFERENCE**

Note: This Section 2 reprints only selected Commission Rules for quick reference by the reader. Additional Rules (that are not reprinted below) may apply. The complete, current version of the Rules can be found at [www.michigan.gov/mdcs](http://www.michigan.gov/mdcs).

### ***Rule 5-7 Expense Reimbursement***

#### ***5-7.1 Travel Expense Reimbursement***

(a) ***Eligibility.*** An employee who incurs expenses for official travel is eligible for reimbursement in accordance with the standardized travel regulations issued by the department of management and budget and the state personnel director.

**(b) Rates.** *An employee is reimbursed at the rates approved by the civil service commission.*

- (1) Recommendation.** *The director of the department of management and budget and the state personnel director may jointly recommend to the commission changes in the travel reimbursement rates.*
- (2) Comments.** *Before submitting the recommendation, the director of the department of management and budget shall solicit comments from employees and limited recognition organizations regarding travel reimbursement rates, methods, indices, and the rate-setting process.*
- (3) Action by the commission.** *The civil service commission shall review the recommendation and shall approve, reject, or modify the recommendation.*
- (4) Exceptions.** *For reasons of business necessity, the director of the department of management and budget and the state personnel director are authorized to approve individual exceptions that vary from the approved travel reimbursement rates or the standardized travel regulations.*

**Rule 5-12      Maintenance Allowance**

*When allowances are made for maintenance or other purposes, they are considered as part of compensation, unless specifically excepted by the civil service commission. A payment of allowance for maintenance, such as meals, lodging, domestic or other personal services, medical care or treatment, laundry, or other services is made in accordance with the compensation plan.*

\* \* \*

### **3.    STANDARDS**

#### **A. General.**

1. Allowances for maintenance are deducted from the employee's salary to the extent of their value as recommended by the appointing authority and the director of the Department of Management and Budget.
2. Such deductions must be approved by the State Personnel Director.
3. The total amount of compensation paid to an employee plus the value of any maintenance must not be less than the minimum rate nor greater than the maximum rate for the classification as provided in the compensation plan.
4. Receipt of maintenance is optional with the employee except when necessary for the proper performance of the duties of the position.

#### **B. Meal Maintenance.**

1. An employee may purchase meals at state facilities at the discretion of the employer.
2. Charges for any such meals are set by the appointing authority at a level equal to the cost of food and labor.

3. It is the duty and responsibility of each appointing authority to annually provide written verification to the Office of the Budget that charges for meals sold to employees are sufficient to cover the cost.

### **C. State-Owned Housing Maintenance.**

#### **1. Mandatory Housing.**

- a. Mandatory residency in state-owned housing is a condition of employment, when the appointing authority determines that such residency is essential and of benefit to the state.
- b. Notice of all mandatory housing determinations must be provided to the State Personnel Director. A copy of the notice must also be provided to the director of the Department of Management and Budget.
- c. Rental rates are established upon occupancy of an employee in a particular unit.
- d. The rates are not changed until the premises are vacated and a different employee is assigned to the mandatory housing unit.

#### **2. Non-Mandatory Housing.**

- a. State-owned housing may be leased to employees for their own benefit and convenience.
- b. Rental rates are based, in part, on 100% fair-market rental value as determined by on-site appraisals conducted at least once every 5 years by the Department of Management and Budget.
  - (1) The rental rates are adjusted annually.
  - (2) Annual adjustments are based on the actual appraisals, and the percentage increase since the last adjustment in the Detroit Consumer Price Index for Urban Wage Earners and Clerical Workers, 1967=100, Residential Rent component.
  - (3) When it is not practical for employee-tenants to pay directly for utilities, the estimated costs for utilities are added to the appraised rental rate.

#### **3. Limitations.**

- a. State-paid housekeeping or groundskeeping services may be provided to housing units that are located on the main site of a facility. The value is determined by the Department of Management and Budget.
- b. There is no state payment for telephone service within state-owned housing, except as costs are verified in writing to have been incurred on state business.
- c. Furnishings for state houses and apartments are provided by the occupants with the exception of currently existing state-owned furnishings. Any replacement of existing furnishings will be at the expense of the tenant with a commensurate decrease in rental charges.

#### 4. Exceptions.

The governor's residences and training camps or academies operated by agencies such as Military and Veterans Affairs, Management and Budget, Corrections, Natural Resources, and State Police, as they relate to state-employed trainees and students, are excluded from the provisions of this policy. Other exceptions may be granted by joint approval of the State Personnel Director and the director of the Department of Management and Budget.

#### D. Clothing and Uniform Cleaning Allowances.

1. All employees who are furnished uniforms, identifying apparel, or protective apparel or equipment required by the employer as a condition of employment.
  - a. When dry-cleaning the items is required, the cost is borne by the employer.
  - b. Cost of replacement due to normal wear and tear or accidental damage while being used on the job is borne by the employer.
2. The Civil Service Commission has approved special provisions for certain agencies.

#### E. Expense Reimbursement Incurred for Official Travel.

The director of the Department of Management and Budget and the State Personnel Director shall jointly recommend to the Civil Service Commission reimbursement rates for employees who incur travel expenses for official travel. The joint recommendation must be submitted no later than April 30 of each year, for the fiscal year beginning October 1 of the same year.

1. **Comments.** Before submitting the recommendation, the director of the Department of Management and Budget shall solicit comments from employees and limited recognition organizations regarding travel reimbursement rates, methods, indices, and the rate-setting process.
2. **Action by the Commission.** The Civil Service Commission shall review the recommendation and approve, reject, or modify the recommendation.
3. **Exceptions.** For reasons of business necessity, either the director of the Department of Management and Budget or the State Personnel Director may approve individual exceptions that vary from the approved rates.
4. The Department of Management and Budget shall issue schedules of travel rates.

#### **CONTACT**

Questions regarding this regulation should be directed to Compensation, Civil Service Commission, P.O. Box 30002, 400 South Pine Street, Lansing, Michigan 48909; by telephone, at 517-335-7862, 517-373-7618 or 1-800-788-1766; or by e-mail to [MDCS-Compensation@michigan.gov](mailto:MDCS-Compensation@michigan.gov).